12 to 17—39—Textiles

Mr. B. V. K. Menon *(Secretary to Government):* I rise to move the next 6 items together under 39—Textiles. These amounts are required for the—work connected with Textile Control which was comparatively light in the beginning. But it soon increased considerably and is still on the increase. It was found that the Director of Industries and Commerce along with his other duties would not be able to devote sufficient attention to meet the situation fully, and that he should be relieved of his duties relating to the Textile Control. Government, therefore, decided to constitute a separate Textiles Branch under a full time Assistant Textile Commissioner. Owing to the increased activities of the Department additional staff cansisting of 1 Head Clerk on Rs. 60—80; 1 Clerk for records on Rs. 40—60; 2 Clerks for Fair copy and Despatch on Rs. 25—40. 1 Typist on Rs. 25—40; Peons 5—1 on Rs. 15, 1 on Rs. 14, 1 on Rs. 13, 1 on 12 and 1 on Rs. 11; Peon (for the additional Field Officers recently sanctioned) on Rs. 12 each, and their Dearness and Town allowances, etc., was also sanctioned. The provisions made in the Budget Estimate for 1120 are in adequate hence the request. This is may be granted.

Demands put and crrried

18—32—Industries (Reserved)—Travelling Allowance

Mr. C. J. Mathew *(Joint Secretary to Government):* I rise to move an additional allotment of Rs. 750 under "32 Industries (Reserved —T. A." The journeys of the officers of the Industries Department have considerably increased on account of their additional war-time duties. The Director of Industries and Commerce has also gone to Madras on a few occasions to attend the textile conference. The allotment under T. A. sanctioned to the Department has, thus become insufficient to meet the requirements. An additional allotment of Rs. 750 is therefore necessary under the above head. This may kindly be sanctioned.

Demand put and carried

19—32—Industries (Reserved)—Travelling Allowance

Mr. C. J. Mathew *(Joint Secretary to Government):* Sir, I rise to move an additional allotment of Rs. 500 under "32—Industries (Reserved)—T. A." This is on account of the increase in correspondance necessitated by the Administration of the different Control Orders entrusted with the Director of Industries and Commerce has considerably increased and the allotment of Rs. 1,000 provided under the Budget Estimate has nearly exhausted. A sum of Rs. 500 more will be required for this purpose. Hence this request. This may be sanctioned.

Demand put and carried

20—14—Anchal—Travelling Allowance

21—14—Anchal (z)—Petty construction and repairs

Mr. K. S. Raghavan *(Joint Secretary to Government):* I beg to move the additional allotments of Rs. 200 under "14—Anchal—T. A." and Rs. 391 under "14—Anchal (z) P. C. R. works."

The consolidated T. A. of the four Anchal Inspectors has been raised from Rs. 20 to 25 and including the temporary increase of 33 1/3 percent on the fixed T. A. The additional expenditure on account of this enhanced rate will come to Rs. 118—4—0 for the current year. Besides large amounts have to be sent to Anchal Offices for payment of Labour Hundies and very often deputation arrangements have to be ordered when Anchal Master or Clerks enter on casual leave and these involve additional T. A. Charges not anticipated. For these an additional allotment of Rs. 200 under "14—Anchal T. A." is necessary.

Another additional allotment of Rs. 366 for the execution of P. C. R. works of Anchal Officers for 1120 is required. Further a sum of Rs. 25 has to be paid for the P. C. R. works of Trichur Office for the year 1118. Therefore a sum of Rs. 391 is required as additional allotment under "14—Anchal—(z) P. C. R." These allotments may be sanctioned.

Demands put and carried

Mr. President: I think it will be convenient to all Hon'ble Mebmers if immediately after lunch the Finance Member presents his Budget Statement; and after that the House proceeds with supplementary grants.

The House rose for lunch at 1-30 p.m. and reassembled at 2-30 p.m. with the Hon'ble President in the Chair

LIBRARY ARCHIVES Kerala Legislative Assembly

Mr. P. V. Raphael: *(Finance Member)*

Sir,

It is now my duty to present the budget estimates of 1121 and in doing so I shall, as usual, make brief references to the actuals of 1119 and the revised estimates of 1120.

Since the financial statements for the current year were laid before the House by me just over a year ago, various changes have taken place here and all over the world. The hopeful signs of an allied Victory then visible have culminated in the complete collapse of the Third Reich and the unconditional surrender of the Western enemies and the close and shattering pursuit of the Nipponese hordes to their island homes continues unabated. The food and cloth crisis that had been threatening us has been brought under control. General elections to our Legislature have taken place and a new Council and fresh parties have come into being. While extending a hearty welcome to the Members of the new Council, I do so, with the fervent hope that their service and co-operation will, as in the past, be wholly available to the Government in solving the various post-war problems that may soon confront us. In the words of His Highness our gracious Maharaja "this Council will have to face the problems of peace. The disinterested service and the unstinted co-operation of you, the representatives of My people are as much necessary in the days of Peace that are to come as it is today when we have yet another aggressor nation, nearer home to be defeated."

ACTUALS OF 1119

With these preliminary remarks I will first refer briefly to the results of the last financial year. We expected our revised estimates would end with a surplus of Rs. 18·51 lakhs. The actual surplus, however, turned out to be Rs. 33·87 lakhs, the total revenue and expenditure having been Rs. 216·63 and Rs. 182·76 lakhs as against the anticipated revised estimates of Rs. 209·34 lakhs and Rs. 190·83 lakhs respectively. "Income-tax", brought in an enhanced revenue of Rs. 5·50 lakhs over the revised estimate while the higher duties and increased consumption of liquor accounted for another increase of nearly Rs. 2 lakhs. These were offset by the non-realisation of any large revenue under Hill Paddy Cultivation as was expected. The non-utilisation of the full allotments under "Education" and the restricted expenditure for extraction and supply of timber under "Forests", besides the smaller amount spent for refund under "Income-tax", mainly brought in unanticipated savings in expenditure as compared with the revised estimate.

REVISED ESTIMATES OF 1120

RECEIPTS

Coming to the current year, the total revenue receipts are now expected to be Rs. 253·00 lakhs—an improvement of Rs. 34·30 lakhs over the budget estimates. The receipts from "Matches, Betel-nuts, etc." are expected to improve by Rs. 10·63 lakhs due to the imposition of new duty on vegetable products and betel-nuts.

"Forest and Tramway" were expected to yield Rs. 18·76 lakhs but the more intensive extraction of timber necessitated by the demands of the war and of fuel to meet the all-wide demand is expected to bring in an additional revenue of Rs. 13·02 lakhs.

An improvement of Rs. 10 lakhs over the budget estimate of Rs. 32·00 lakhs is anticipated under "Income-tax". The progress of regular Excess Profits Tax assessments has now been stepped up so that we now expect collections under this head to reach Rs. 22·50 lakhs. Ordinary Income-tax also is expected to bring in larger revenue.

EXPENDITURE

The revised estimates of the current year are placed at Rs. 247·84 lakhs compared with Rs. 202·11 lakhs provided in the budget thus showing an increase of nearly Rs. 46 lakhs.

Some new works of importance referred to by me in the Memorandum had to be taken up in the course of the year and the cost of these coupled with the abnormal charges for labour and materials explain the large increase of Rs. 16·23 lakhs over the budget estimate under "Public Works".

"Miscellaneous" with its numerous sub-heads accounts for the next large increase of Rs. 12·83 lakhs over the budget estimate of Rs. 17·94 lakhs. The audit of the Food Supply

LIBRARY ARCHIVES Kerala Legislative Assembly

accounts of 1119 reveal that we have incurred a loss of Rs. 9·72 lakhs in the year and after setting off the profits of 1118 a sum of Rs. 6·09 lakhs has to be adjusted towards the loss. The subsidisation of the sale of dry grains, the increased cost of transport and the loss of some stock in transit are the main reasons which have given rise to the loss. The Member for Food will go into these in greater detail in proper time and I do not therefore propose to dilate upon these. The visits of Their Excellencies the Viceroy and Lady Wavell and of the Maharaja of Mysore and the larger contributions to the War Purposes Fund mainly account for the other increases.

The inreased intensive extraction of timber and fuel fetching larger revenue is expected to swell the expenditure under "Forests" by over Rs. 10 lakhs.

Thus while our revised estimates provide for a revenue of Rs. 253·00 lakhs expenditure charged to revenue is expected to be Rs. 247·84 lakhs resulting in a revenue surplus of Rs. 5·16 lakhs.

BUDGET ESTIMATES FOR 1121

I now come to the ensuing year. Before I go into details I may summarise the following as some of the broad features on the basis of which we forecast the budget of the coming year.

First and foremost, I would put the improvement in the food situation. A sufficient supply of food, though not to the same extent as one would like to have, is ensured and the price has been controlled and slightly reduced. These measures are seen reflected in the budget before us. It may be that these may not bring in adequate relief but they engender hopes for a bright future.

Secondly, as I stated last year, large and very important classes of the population—I mean the industrial and agricultural population—are now in receipt of money incomes far in excess of the pre-war levels while certain other classes of the population have suffered from an undue disparity between their incomes and expenditure. The anti-inflationery measures like new taxation and National Savings programmes have gone to divest a part of the unearned income while the real sufferers have been compensated by the grant of allowances. The budget before us provides for the continuance of these measures.

Thirdly, the measures we have adopted to maintain prices on an even level have greatly succeeded to prevent profiteering of many kinds. The anti-social activities of our traders have been greatly curbed if not totally extinguished and these measures are proposed to be continued till conditions further improve and become normal.

Fourthly, the progress of the War against Japan has necessitated the continuance of the various defence and security measures which I narrated last time.

And lastly, the termination of the War in the West and the encouraging progress of it in the East have necessitated the serious consideration of the post-war problems about which I hope to advert to, in some more detail, at a subsequent stage of this statement.

REVENUE

With these preliminary observations, I shall now refer to our revenues for 1121. Our total revenue estimates amount to Rs. 294·25 lakhs, *i.e.*, Rs. 41·25 lakhs more than the revised estimates for the current year. The increased revenues under Customs Rs. 10·29 lakhs, the larger incomes from the new taxation measures on Betelnut, etc., Rs. 10·89 lakhs, and the astounding increases under Excise revenues Rs. 24·50 lakhs, have largely contributed to this phenomenal growth of our revenues. While the politician may deplore the excise revenue, the administrator finds that in this he has the means to meet the ever-growing needs of a developing administration without resort to fresh and additional taxation.

LIBRARY ARCHIVES Kerala Legislative Assembly

EXPENDITURE

Turning to expenditure, we have budgetted for a programme of expenditure aggregating to Rs. 282·48 lakhs. An analysis of the budget before you would show that this expenditure is mainly comprised of the following items.—

		Rs.
Establishment—Permanent	..	36·62 lakhs.
Temporary	..	12·16 ,,
Travelling allowance	..	4·27 ,,
Dearness allowance	..	33·45 ,,
Contingencies	..	33·67 ,,
Supplies and Services including Grant-in-aid under Education	..	42·16 ,,
Works	..	59·93 ,,
Other items (Railway, Palace, Subsidy, Pension and Gratuity, etc.)	..	60·22 ,,
Total	..	282·48 ,,

If there has been an abnormal increase in revenue on account of war conditions it has been accompanied by an equal rise in expenditure on account of the same incidents.

As most of the important items of variations have been explained in the Memorandum I do not wish to tire the House with a reiteration of the same points. I shall therefore proceed to explain only a few of the more important salient features which may require some more elucidation at my hands.

Defence Measures.—We are still in the War and it is only proper that the defence and security measures are continued unabated. The following items of expenditure have accordingly been provided.

		Rs.
Defence staff and their charges	..	3·81 lakhs
War Publicity, etc.	..	0·85 ,,
War subscription	..	1·20 ,,
Police—Temporary staff	..	0·19 ,,
Cochin State Forces on duty Ex-State	..	0·81 ,,
Educational concessions to dependents of Military personnel	..	0·50 ,,
Total	..	7·36 ,,

Apart from these, we are making large advances for the recruitment, despatch and repatriation of Ceylon and Assam Labour, payment of compensation to next of kin of deceased labourers, etc., and these advances are recovered periodically. A sum of about Rs. 44 lakhs has been provided towards such advances under "Advances and Remittances."

Dearness Allowance.—The scheme of dearness allowance to Government servants and aided school staff has been undergoing very careful periodical review and knowing well the great difficulties of this class of people Government have been quite considerate towards them taking the cue from the very sympathetic attitute taken by this House on previous occasions. Following the British India rates they have recently revised the allowances fixing the minimum at Rs. 16 to officers below Rs. 40, Rs. 18 or 17½ per cent whichever is higher to officers on Rs. 40 and above up to Rs. 200 and 17½ per cent to officers above Rs. 200 and up to and including Rs. 1,000. Besides this, a town allowance of 15 per cent of the pay has been granted to all officers drawing Rs. 200 and below in the towns of Ernakulam and Mattancheri including the Island and 10 per cent of the pay to such officers in the town of Trichur. The grant of these allowances is expected to cost Rs. 33·45 lakhs approximately.

Temporary establishments.—Rs. 12·16 lakhs. Another striking feature of the budget which impresses anyone is the rapid growth of temporary establishments in almost all the departments. These have been explained in the Memorandum accompanying the budget and I shall not therefore go into the details of these excepting in the Food and the allied departments which deserve more than a passing reference on account of their special importance.

LIBRARY ARCHIVES Kerala Legislative Assembly

Food and other allied departments.—Food and clothing form the essential items of man's life and it was these essentials of very existence that were threatened at one time. With the memories of the extremely grave food crisis of 1118 still fresh before us, Government stand committed to do all they can to meet the civil supplies of the population. They have therefore provided for the full complement of the elaborate establishment of the Supplies departments including the grain purchase, price control, etc, staff. A sum of Rs. 7 lakhs has been provided by way of subsidy for the sale of rice. Thus in all we have provided Rs. 20·81 lakhs for carrying on the Food Supplies, etc., Departments including the subsidy. The overhead charges of Rs. 13·81 lakhs for carrying out the food distribution and control measures may seem excessive, but they are necessary for the present and have justified themselves by the very successful results achieved. Government are, however, keeping a close watch over the situation and would be frequently reviewing it with a view to an effective retrenchment wherever any establishment seems superfluous. A sum of Rs. 5·2 crores has been provided for the purchase and storage of articles of civil supplies like rice, paddy, etc.

Cloth control.—It is now the cloth situation that is causing some anxiety here as elsewhere in the rest of India. With the appointment of a full-time Assistant Textile Commissioner with all the necessary staff to control the supply and distribution of cloth the situation is expected to be well in hand and it is hoped that the condition will ease itself soon. A sum of Rs. 0·49 lakh has been provided for the successful carrying out of the cloth control scheme. A sum of Rs. 30 lakhs has also been provided for the purchase and storage of cloth for sale to the people.

The hoarding and profiteering done by the most anti-social elements of our society have now been curbed and brought under control by the most ruthless measures. The ever-soaring prices have been brought down and kept steady as far as possible.

The wholesale purchase of all the available stock of paddy in the State which stood us well in the crisis is proposed to be continued for some time more. The Excise preventive staff to check the illicit export of paddy and other articles from the State have still a useful function to perform and provision is made for their continuance.

Law and Order Services.—These departments of Law and Justice, Jails, Police and Military have no special features. The existing order is continued generally except in the case of the Advocate-General and the District Magistrate whose pay has been revised in response to the voice raised in this House. Our State Forces have been equipped satisfactorily and we have been able to send a trained contingent elsewhere for garrison duty.

Administrative Services.—The departments of "General Administration" and "Finance and Accounts" have come for special notice. The staff is proposed to be strengthened both in the Huzur Secretariat and the Accounts Department. The constitution of a separate Finance Secretariat is a step long overdue and it is proposed to form such a department with a Superintendent and staff. In the "Finance and Accounts" department the grant-in-aid audit is to be continued next year also and the local audit staff which was strengthened by another division consisting of a Superintendent and four auditors will also continue next year to cope with the growing work.

Collections Servics—Land Revenue, Excise, Customs, Forests, Registration and Anchal, Stamps and Income-tax may be said to form the collection services. The local manufacture of salt which was being investigated is proposed to be entrusted to private agencies. Almost all the other heads have mainly "carrying on" allotments with no special distinctive features—except "Income-tax" where the expansion of work has necessitated the reorganisation and revision of pay of the officers and staff including that of the Commissioner and of the Deputy Commissioner.

Development and Nation Building Services.—We propose as shown below an allotment of Rs. 113·24 lakhs in all on behalf of these services which cater specially towards the material and moral progress of the people.

		Rs.
Agriculture	..	3·92 lakhs
Veterinary	..	0·84 ,,
Panchayats	..	8·09 ,,
Co-operative	..	0·45 ,,
Industries	..	3·65 ,,
Education	..	38·01 ,,
Medical	..	11·22 ,,

LIBRARY ARCHIVES Kerala Legislative Assembly

		Rs.
Ayurveda	..	2·14 lakhs
Public Health	..	3·17 ,,
Uplift	..	1·17 ,,
Public Works	..	40·58 ,,
	..	
	..	113·24 ,,
Total	..	

Under "Agriculture" the schemes of distribution of manure at subsidised rates and the manufacture and distribution of agricultural implements to the ryots are continued under special Officers. A demonstration farm is proposed to be opened in Chittur for which a provision of Rs. 35,000 is made for acquisition of the necessary lands alone. The Nelliampathy Fruit and Vegetable cultivation is in progress and expected to yield good results. The availability of healthy cattle is the handmaid of agriculture and for the extension of veterinary aid, new dispensaries and hospitals and the training of stockmen compounders are proposed for 1121. Some of the recommendations of the Co-operative Enquiry Committee have been given effect to like the execution of decrees through departmental agencies and the necessary staff for these are provided. Under "Panchayats" a provision of Rs. 8·09 lakhs has been made, *i. e.*, Rs. 4·27 lakhs more than the actuals of 1119. Of this Rs. 3·25 lakhs is for the completion of the special works started in 1119 and 1120, but left uncompleted. The provision for the maintenance and repairs of village roads and lump provision for original works in panchayats have been more than doubled as compared with the estimate of the current year. Clerks on decent scale of pay are also proposed for all the Panchayats. It is hoped these provisions will go far to promote the material prosperity of our villages. The opening of a new School of Arts and Crafts, the starting of an Industrial Museum and the Commercial Institute at Ernakulam for which provisions have been made are expected to promote the growth of cottage industries and commerical education. The opening of a Training College supplies a long-felt want and the liberal provision of Rs. 4 lakhs made for noon-day meals to school children is to go much to prevent the malnutrition of the school-going population. Free education to the dependents of the military employees and reimbursement to unaided schools for loss of fee income on this account are some of the other more important features of the coming budget under "Education". "Medical" enjoys an increased allotment of Rs. 11·22 lakhs in the coming year, *i. e.*, Rs. 3·36 lakhs more than the actuals of 1119. Under 'Ayurveda' provision is made for the opening of a few more dispensaries in rural areas and for the strengthening of the staff in all the institutions. A provision of Rs. 20,000 has been made for the renewal of the health propaganda van under 'Public Health".

Capital Services.—The next year's programme of Capital expenditure includes a provision of Rs. 42·01 lakhs which is in excess of the revised estimate for the current year by Rs. 29·16 lakhs. Details of the expenditure will be found in Appendix H of the printed budget. I propose to make a passing mention of the more important schemes.

Pallivasal Power Purchase Scheme.—A capital expenditure of Rs. 13·28 lakhs is proposed to be incurred on this scheme next year. This is for extending the lines from Chowwara to Trichur. When this is completed Pallivasal Power will be available from almost the southern boundary of Cochin to the Trichur town. The total outlay at the end of 1121 on the scheme is anticipated to stand at Rs 19·38 lakhs. The net profit after providing for depreciation at 3½ percent is expected to be Rs. 0·36 lakh in 1121.

Anamalais Road.—The works on the first section are nearing completion and those on the second are about to commence. The provision of Rs. 13·35 lakhs made in the next year's budget is for this purpose. The total capital expenditure on this scheme at the end of the next year will be Rs 23·05 lakhs. Tolls have been established at two points on this road. A net toll income of Rs. 13,000 is expected to be realised during the coming year and large quantities of timber and fuel are transported through the road even now.

Chalakkudi Irrigation Scheme.—The investigation of this Scheme was completed in 1119. The probable cost is Rs. 14 lakhs. A part provision of Rs. 5 lakhs has been made in the next year's budget to start the work.

Thanikudam Irrigation Scheme.—This is also a Scheme the investigation of which was over in 1119. The estimated cost of the scheme is Rs. 14 lakhs. A part provision of Rs. 5 lakhs only is proposed for the next year.

LIBRARY ARCHIVES Kerala Legislative Assembly

Post-War Schemes.—In every country great or small preparation of post-war schemes is the order of the day. It is only proper that after having spent enormously in men, money and materials in winning the War, that we pay adequate attention to make the post-war world particularly happy to live in with all the amenities properly and adequately provided for. With this object in view a separate department in the administrative centre has been specially organised here and numerous schemes costing on all over Rs. 4 crores have been tentatively prepared. The schemes are all of them of far-reaching importance calculated to promote considerably the material and moral prosperity of the country at large. They cover among others, schemes for the re-settlement and re-employment of ex-service men; agricultural, irrigational and educational improvement and expansion; development of our forest, fishery and mineral resources; improvement of public health, medical services and housing and town planning schemes; National highways and Road and Backwater transport schemes; and last but not the least the generation and distribution of cheap electric power from our own plants and installation. These schemes are no doubt very ambitious and costly and call for thorough investigation before they are taken up and require the services of numerous trained personnel for their execution and development. Necessary special staff have been appointed in the Forest and Public Works departments to survey and investigate these schemes in detail and Government have selected for training abroad some of the personnel required for executing these schemes. Along with these activities the question of a planned scheme for the Industrialisation of Cochin in the Post-war world has also been got examined by an expert Committee. The Committee has submitted an elaborate report containing, among others, a recommendation for the creation of an Industrial Development Fund of Rs. 50 lakhs with a recurring annual grant of Rs. 5 lakhs for a period of ten years. The Government have accepted this proposal and the actual implementing of it is engaging their serious consideration. It is hoped "the confidence of the people of Cochin as well as of people in India outside Cochin would be established in the intentions of the State to follow a stable industrial policy through the creation of this fund and the declaration of this recurring grant."

The question of "the Finance" of these schemes has not also been forgotten. The Government propose to float a fresh loan of Rs. 1 crore the details of which are under consideration. The proceeds of this loan which may just now be invested in our Food Supply measures, coupled with our liquid resources in fixed deposits, advances, etc., and our accumulating annual surpluses will, it is hoped, carry us through these schemes successfully. What is required now is bold intiative and the whole-hearted support and co-operation of this House which the Government have always been receiving in the past and which they have no reason to doubt will not be forthcoming in the present and in the future.

REVENUE RESERVE FUND

The Fund stood at Rs. 55·75 lakhs at the begining of 1119. With an addition of Rs. 25 lakhs out of the realised surplus of 1119 and a transfer of Rs. 2 lakhs for the Rural Reconstruction programme for 1119 it stood at Rs 78·75 lakhs at the begining of the current year. From this, a sum of Rs. 2 lakhs has been transferred this year and another sum of Rs. 3·25 lakhs is proposed for next year for Rural Reconstruction works leaving a balance of Rs. 73 50 lakhs to the credit of the Fund in 1121.

WAYS AND MEANS

The State had according to the closed accounts of 1119 a revenue surplus of Rs. 131·90 lakhs and a Revenue Reserve Fund of Rs. 78·75 lakhs making a total of Rs. 210·65 lakhs of which Rs. 112·05 lakhs lay sunk in Capital Outlay; the available liquid surplus will thus be Rs. 98·60 lakhs.

The revised estimate of the current year is expected to result in a surplus of Rs. 5·16 lakhs against which there is a Capital Outlay programme of Rs. 12·85 lakhs which will tend to bring down the liquid surplus to Rs. 90·91 lakhs.

The ensuing year bids fair to show a revenue surplus of Rs. 11·78 lakhs. But we are having a heavy Capital Outlay programme to the tune of Rs. 42·01 lakhs as already stated. This would draw upon the liquid surplus which wil stand reduced to Rs. 60·68 lakhs. As now proposed our net assets at the end of 1121 will be Rs. 222·33 lakhs of which Rs. 148·83 lakhs will be the revenue surplus and Rs. 73·50 lakhs will be our Revenue Reserve Fund. The Government are also contemplating to introduce the Anchal Savings system in the State with a view to

LIBRARY ARCHIVES Kerala Legislative Assembly

afford facilities for the small investors of the rural public and this may considerably improve our ways and means programme.

FINANCIAL POSITION

The Government will have a revenue surplus of Rs. 148·83 lakhs at the end of 1121 and a Revenue Reserve Fund of Rs. 73·50 lakhs making up a total of Rs. 222·33 lakhs of which Rs. 166·92 lakhs will be in Capital Outlay leaving a liquid surplus of Rs. 55·41 lakhs. By a careful husbanding of the resources and rigorous control over expenditure the State was able to move forward building up enviable surpluses from year to year.

CRANGANUR

Cranganur was having deficit budgets for a long time past, but the fortuitous accidents of war have enabled the principali y to have a surplus of Rs. 0·37 lakh in the past year. According to the revised estimates we anticipate a surplus of Rs. 0·13 lakh against a deficit of Rs. 0·31 lakh budgetted for, the revised estimates of receipt and expenditure being proposed at Rs. 3·59 lakhs and Rs. 3·46 lakhs against the respective budget estimates of Rs. 2·90 lakhs and Rs. 3·21 lakhs.

For 1121, we budget for a record revenue of Rs. 4·05 lakhs and programme for an expenditure of Rs. 3·60 lakhs leaving a surplus of Rs. 0·45 lakh. As in the case of the State, the larger revenue is mainly the outcome of the higher bids at auction sales under Excise and the new duties on Betel nut, etc. The expenditure also has likewise increased considerably due to the grant of dearness allowance, the enhanced expenditure for "Works" owing to the phenomenal rise in the cost of labour and materials, etc. We hope that some means will be found to solve the problem of recurring deficits in Cranganur even before the present boom disappears.

CONCLUSION

Sir, I have done. I have attempted to place before you the financial position of the State in as brief and clear a manner as possible. We have been by a process of husbanding all our resources without in any way stinting reasonable items of expenditure, able to build up large reserves on which we can fall for post-war expenditure. Our financial position is on the whole in an unassailably sound condition. But I am apprehensive that conditions may soon change causing great fall in our revenues without a corresponding reduction in expenditure. The Industrial expansion for self sufficiency aimed at by all parts of India and the world may affect adversely our Customs revenue. Income-tax may also be adversely affected and the Excess Profits Tax amounting to over Rs. 22 lakhs may completely disappear with the termination of the War. The other items of revenue particularly the Excise revenue may ere long show a downward tendency. While revenues may thus fall considerably, expenditure may not go down to any such great extent. While expenditure due directly to War conditions may disappear, more expenditure on nation-building services like Agriculture, Panchayats, Medical, Public Health, Public Works and foremost on Education is likely to emerge and these cannot be stinted by any progressive Government.

Though it is hazardous to prophesy how far the fall in revenue will be offset by the fall in expenditure the possibilities are that the fall in revenue will be considerable and it may be advisable to take stock of the situation and adopt suitable measures in time to see that the essential development services are not starved.

22. "17—Law and Justice—B—Civil Jusice—Temporary Establishment High Court"
23. " Do. T. A. High Court"
24. " Do. —Office Expenses—High Court"
25. " Do. —T. A. District Courts"
26. " Do. —Miscellaneous—District Courts"
27. " Do. —Office Expenses—District Courts"
28. " Do. —T. A. Munsiffs' Courts"
29. " Do. —Office Expen es—Munisiffs' Courts"
30. " Do. —Service labels—Munsiffs' Courts"

LIBRARY ARCHIVES Kerala Legislative Assembly